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SUBJECT: CROATIA 2010 INVESTMENT CLIMATE STATEMENT

REF: 2009 STATE 124006

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11. Summary: For more than a decade after the end of the war in 1995, Croatia enjoyed steady growth in foreign investment, buoyed by a growing economy, low inflation, a stable exchange rate and developed infrastructure. Investment activity slowed substantially in 2009, due partly to the global financial crisis, and partly to the structural problems that continue plague the economy. The banking system has weathered the financial crisis well and continues with business as usual. But a bloated and complex bureaucracy, underperforming state enterprises, an anemic export sector, and continued problems with corruption all contributed to a sour economic mood at the end of 2009. Croatia's one notable success in 2009 - NATO membership - was tempered by several road blocks that slowed negotiations for Croatia's EU membership, including a bilateral border dispute with Slovenia and EU concerns about Croatia's cooperation with the war crimes tribunal in The Hague. The New Year starts with some reasons for renewed optimism however. The government of Prime Minister Jadranka Kosor (who took office after the surprise resignation of her predecessor last June) was able to achieve an agreement with Slovenia that ended Slovenia's blockade of the EU negotiations. Perhaps more importantly, she and her team have shown a new willingness to give law enforcement and judicial officials a free hand to fight corruption. Several new investigations involving high level current and former members of government seem to indicate she is serious in this effort. If she and her economic policy makers can find a way to make government more transparent, rationalize the state budget, move forward with remaining privatizations, and stimulate investment and export activity, then Croatia will be able to return to its path of strong economic growth very soon. End Summary.

A.1 Openness to Foreign Investment

12. Croatia is open to foreign investment. The Croatian government continues to have as one of its main goals a further increase in foreign investment, hoping to attract greater greenfield investments. NATO membership and the prospect of membership in the EU continue to motivate both reform and stabilization of the economy, which should in turn improve the investment climate of the country. The government continues to give priority to activities related to fighting organized crime and corruption. In July of this year, the then Prime Minister stepped down and the new Prime Minister has been resolute in statements and actions to fight corruption.

13. Croatia's legal framework accords equal treatment to foreign and domestic investors for all types of business. There are no reviewing or screening mechanisms to exclude foreign investment, nor are there any restrictions to foreign investment. The Internet website of the Croatian Chamber of Economy (www.hgk.hr) provides a useful English-language guide, "How to Start Up an Enterprise in Croatia," as well as sector-specific and general reports. The

Zagreb Stock Exchange's website (www.zse.hr) posts English-language translations of key laws in force.

¶4. Despite recent progress, however, problems remain that dampen investment in Croatia. Of these, the greatest is the country's legal system. Amid a backlog of 870,000 pending cases, even the simplest cases can take years to resolve. The result is that, in spite of laws that govern the sanctity of contracts, timely enforcement is a problem. The difficulty of obtaining timely judicial remedy in a dispute has hindered investment in Croatia. Other problem areas include inefficient bureaucracy and the country's relatively high labor costs in relation to other locations in Central and Eastern Europe.

¶5. The Agency for Trade and Investment Promotion has a mandate to match potential investors with projects in Croatia. The Agency has specialists available in strategic planning, investment support and export support (see www.apiu.hr) and is actively seeking projects that it can promote to foreign investors and provides the helpful "CROINVEST Investment Guide" on its website. The Agency is also active in advising the government on how to make Croatia's regulatory environment more transparent and competitive.

¶6. The Company Act defines the forms of legal organization for domestic and foreign investors. The following are permitted for foreigners: general partnerships, limited partnerships, branches, limited liability companies, and joint stock companies. The Obligatory Relations Law regulates commercial contracts.

¶7. Croatia is included on the following lists and ranks per each as follows:

- * Transparency International Corruption Index: ranked 66 with a 4.2 corruption perception index
- * Heritage Economic Freedom overall score: 55.1

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- * World Bank Doing Business "Ease of doing business" ranking: 103

A.2 Conversion and Transfer Policies

¶8. The Croatian constitution guarantees the free transfer and repatriation of profits and invested capital for foreign investments. Article VI of the U.S. Croatia Bilateral Investment Treaty (BIT) establishes protection for American investors from government exchange controls that limit current and capital account transfers, and limits on inward transfers made by screening authorities. The BIT obliges both countries to permit all transfers relating to a covered investment to be made freely and without delay into and out of each other's territory. The Croatian Foreign Exchange Law permits foreigners to maintain foreign currency accounts and to make external payments.

¶9. The Foreign Exchange Law also defines foreign direct investment (FDI). For example, use of retained earnings for new investments/acquisitions is considered FDI, whereas investments made by institutional investors such as insurance, pension and investment funds are not considered FDI. The law also liberalizes foreign exchange transactions for Croatian entities and individuals allowing them to invest abroad. Generally, this law liberalized foreign exchange transactions, but it also introduced criteria for the possible imposition of capital controls.

¶10. The U.S. Embassy in Zagreb has not received any complaints from American companies regarding transfers and remittances.

A.3 Expropriation and Compensation

¶11. There have been no cases of expropriation of foreign investments by the government since Croatia became independent in 1991. Article III of the BIT covers both direct and indirect expropriations. The BIT bars all expropriations or nationalizations except those that are for a public purpose, carried out in a

non-discriminatory manner, are in accordance with due process of law, and are subject to prompt, adequate and effective compensation.

¶12. Croatian law gives the government broad authority to expropriate property under various economic and security related circumstances. The law provides for an appellate mechanism to challenge expropriation decisions by means of a complaint to the Ministry of Justice within 15 days of the expropriation order. The law, however, does not describe the Ministry's adjudication process and the fact that the Ministry of Justice represents the government, which initiates expropriations, is an area of potential concern for investors. Investors should also be aware of the 2009 Law on Golf, which allows the government to expropriate land in order to sell it for golf course development.

A.4 Dispute Settlement

¶13. There have been few instances of investment disputes involving U.S. companies in Croatia. As a result of the very long timeframes involved in obtaining judgments in court, companies often try to resolve disputes without seeking judicial remedy. The government is currently working to reduce court backlogs and to encourage the use of alternative dispute settlement.

¶14. The Croatian constitution provides for an independent judiciary. The judicial system consists of courts of general and specialized jurisdictions, whose core structure is Supreme Court, County Courts, Municipal Courts, and the Magistrate/Petty Crimes Courts. Specialized courts include the Administrative Court and High Commercial and Lower Commercial Courts. There is also a Constitutional Court that determines the constitutionality of laws and government actions and protects and enforces constitutional rights. Municipal courts exercise original jurisdiction over civil and juvenile/criminal cases. The High Commercial Court is located in Zagreb and has appellate review of lower commercial court decisions. Modification of lower court decisions by the High Commercial Court may be appealed to the Supreme Court.

¶15. The Administrative Court has jurisdiction over the decisions of administrative bodies of all levels of government. The Supreme Court, under certain circumstances, may review decisions. The Supreme Court is the highest court in the country and, as such, enjoys jurisdiction over all civil and criminal cases. It hears appeals from County, High Commercial, and Administrative Courts.

¶16. The government continues efforts to reform the judiciary, including reducing the backlog of cases, reforming the land registry, training court officers and reducing the backlog and

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length of bankruptcy procedures. Alternative dispute resolution has been implemented at the High Commercial Court, the Zagreb Commercial Court and 6 municipal courts throughout the country. An important move to lessen the backlog of cases is the on-going redistribution of non-disputed decisions to public notaries. During the past year, the number of pending cases has decreased to fewer than 870,000, down from 950,000. The greatest reduction was in the backlog of enforcement cases and the enforcement of judgments, which currently make up 12 percent of all pending cases. According to the provisions of the Law on Enforcement, a judgment made by a judge or panel of judges to order payment or direct actions to be taken or ceased must be executed immediately per such decision. Current practice, however, delays enforcement until all appeals are exhausted. Article 17 of the Law on Enforcement states that foreign judgments may be executed only if the "judgment fulfills the conditions for recognition and execution as prescribed by an international agreement or the law." The Ministry of Justice's reform plan is available on its website at www.pravosudje.hr.

¶17. The Law on Bankruptcy, internationally harmonized and corresponding to the EU regulation on insolvency proceedings and United Nations Commission on International Trade Law (UNCITRAL) Model Law on Cross-Border Insolvency establishes timeframes for the initiation of bankruptcy proceedings. Bankruptcy and foreclosures have traditionally been slow and inefficient in Croatia. The World

Bank has estimated that the recovery rate in Croatia is approximately 44 percent of the Organization for Economic Cooperation and Development (OECD) average, and somewhat better than the regional average.

¶18. The Commercial Court has exclusive jurisdiction over bankruptcy matters. A bankruptcy tribunal decides on initiating formal bankruptcy proceedings, appoints the trustee, reviews creditor complaints, approves the settlement for creditors, and decides on the closing of proceedings. The bankruptcy judge supervises the trustee (who represents the debtor) and the operations of the creditors' committee. A creditors' committee is convened to protect the interests of all creditors during the proceedings, to oversee the trustee's work and to report back to the creditors. The law establishes the priority of creditor claims, assigning higher priority to those related to taxes and revenues of state, local and administration budgets. The law also allows for a debtor or the trustee to petition to reorganize the firm, an alternative aimed at maximizing asset recovery and providing for fair and equitable distribution among all creditors.

¶19. Arbitration is available, although underutilized. Within the Croatian Chamber of Economy, there is a permanent arbitration court that has been in existence since 1965 (see www.hgk.hr/wps/portal/!ut/p/.cmd/cl/.l/hr). Arbitration is voluntary and conforms to UNCITRAL model procedures. The court received 102 new cases in 2009 of which a few concern EU countries; however there are currently no issues involving the US.

¶20. The English-language text of the Law on Arbitration can be found on the website of the Croatian Chamber of Economy (www.hgk.hr). The law covers domestic arbitration, recognition and enforcement of arbitration rulings, jurisdictional matters, and procedures. Once a dispute has been arbitrated the decision is executed upon notice from the court to the obligatory party. If no payment is made by the established deadline, then the party benefiting from the decision notifies the commercial court and the commercial court becomes responsible for enforcing compliance. Rulings of the arbitration court have the force of a final judgment, but can be appealed within three months.

¶21. Article X of the BIT sets forth several means for resolution of investment disputes, defined as any dispute arising out of or relating to an investment authorization, an investment agreement, or an alleged breach of rights conferred, created, or recognized by the BIT with respect to a covered investment. For more information on the BIT arbitration provisions, consult <http://tcc.export.gov>.

¶22. Croatia is a signatory to the following international conventions regulating the mutual acceptance and enforcement of foreign arbitration: the 1923 Geneva Protocol on Arbitration Clauses, the 1927 Geneva Convention on the Execution of Foreign Arbitration Decisions, the 1958 New York Convention on the Acceptance and Execution of Foreign Arbitration Decisions, and the 1961 European Convention on International Business Arbitration. In 1998 Croatia ratified the Washington Convention - the International Center for the Settlement of Investment Disputes (ICSID), and it became effective on October 22, 1998.

A.5 Performance Requirements/Incentives

¶23. Croatia's WTO Trade Related Investment Measures (TRIMs)

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agreement went into effect in 2000. Croatia has no trade-related investment measures in place at the present time, nor does the government intend to introduce any such measures in the future. Accordingly, Croatia did not seek to list any measures for elimination under the provisions of the WTO Agreement on TRIMs. Croatia committed to maintaining measures consistent with the TRIMs agreement and has applied the TRIMs agreement from the date of accession without recourse to any transition period.

¶24. Croatian law does not impose performance requirements on foreign or domestic investors. Article VII of the BIT prohibits

mandating or enforcing specified performance requirements as a condition for the establishment, acquisition, expansion, management, conduct, or operation of a covered investment. The list of prohibited requirements is exhaustive and covers domestic content requirements and domestic purchase preferences, the "balancing" of imports or sales in relation to exports or foreign exchange earnings, requirements to export products or services, technology transfer requirements, and requirements relating to the conduct of research and development in the host country. Article VII makes clear, however, that a party may impose conditions for the receipt or continued receipt of benefits and incentives.

¶25. In late 2004, the Ministries of Economy and Defense agreed to introduce offsets (a requirement for local sourcing of a portion of the contract) for defense procurements over 2 million euros, and the Ministry of Economy said it was looking at introducing offsets in other areas, however no such action has been undertaken. More information on application and regulation of the offset program can be found at www.hgk.hr.

¶26. The Investment Promotion Law offers potentially significant incentives (the amount of which is dependent upon the percentage of unemployment in the respective county) to investors, foreign and domestic, such as 1500-3000 EUR incentive per new job position, assistance with retraining and tax incentives. It provides for incentives that apply only to investments in production based businesses, technological development centers and strategic business support activities. The minimum amount of investment that qualifies for incentives is 300,000 EUR. Tax incentives include substantially lower profit tax obligations and customs relief. The text of the law is available on the Croatian National Bank site (www.hnb.hr).

¶27. Incentives include 10 percent corporate tax for ten years for companies that invest from 2.2 million to 11 million HRK (approximately \$440,000 - \$2.2 million) and create 10 new jobs; 7 percent corporate tax for ten years for companies that invest from 11 million to 30 million HRK (approximately \$2.2 million to \$6 million) and create 30 new jobs; 3 percent corporate tax for ten years for companies that invest 30 million to 58 million HRK (approximately \$6 million to \$11.6 million) and create 50 new jobs; 0 percent corporate tax for ten years for companies that invest over 60 million HRK (approximately \$11.6 million) and create at least 75 new jobs.

¶28. Incentive measures refer to investment in the following: new equipment and modern technology, new production processes and new products, greater employment and education of workers, modernization and growth of business, development of production with a higher level processing, an increase in exports, increasing economic activity in regions of Croatia in which economic growth and employment levels lag behind national averages (in accordance with the map of regional areas of special state concern), development of new services, energy conservation, strengthening information technology, cooperation with foreign financial institutions, and harmonizing the Croatian economy with EU standards.

¶29. Investors may also be eligible to receive assistance from the government to offset costs of employee re-training. The government may offer real estate (or permits or infrastructure) to an investment either cost-free or on a preferential basis. Finally, the government will allow the duty-free importation of capital equipment for the investment.

¶30. The Croatian government also offers incentives for business activities carried out in the areas of special state concern, mountain areas and the city of Vukovar. The laws governing business activities in the areas of special state concern have been harmonized with EU regulations on state aid. Various categories of tax incentives are offered per area and further information can be requested from the Trade and Investment Promotion Agency (www.apiu.hr).

¶31. The Trade and Investment Promotion Agency can be helpful in identifying and applying for investment incentives. Also, the (separate) Office of Investment and Export Promotion in the Ministry of Economy can be helpful in looking for incentive information. Further information can be found on their website at www.mingor.hr.

¶32. Although procedures for obtaining business visas are generally clear, they can be cumbersome and time-consuming. The requirement listed in the 2007 amendments to the Law on Foreigners for two-year residency before the holder of a key personnel visa can obtain visas for his or her immediate family has been abolished. . Questions relating to visas and work permits should be directed to a Croatian embassy or consulate. The U.S. Embassy in Zagreb also maintains a website with information on this subject at www.usembassy.hr.

A.6 The Right to Private Ownership and Establishment

¶33. Both foreign and domestic legal entities have the right to establish and own businesses and engage in remunerative activity. Foreign investors can acquire ownership and shares of joint stock companies. The lowest amount of initial capital for establishing a joint stock company is 200,000 HRK (\$40,000) and the nominal value per share cannot be less than 10 HRK (\$2.00). Minimum initial capital for establishment of a limited liabilities company is 20,000 HRK (\$4,000), while individual representation per investor cannot be less than 200 HRK (\$40.00)

As a rule, the import and export of goods are free. Quotas or protective levies may be introduced in accordance with WTO rules only as an exception if the balance of payments experiences disturbances. If the import of certain goods threatens to damage or damages domestic industry, import quotas may be introduced. Export quotas may also be set in order to protect national non-renewable natural resources, accompanied by restrictive measures that limit internal trade in these products.

¶34. Article 49 of the Constitution provides assurances that all entrepreneurs have equal legal status and that monopolies are forbidden. The Competition Act defines the rules and methods for promoting and protecting competition. This law and information about the Croatian Competition Agency can be found at www.aztn.hr. In theory, competitive equality is the standard applied to private enterprises in competition with public enterprises with respect to market access, credit and other business operations, such as licenses and supplies. In practice, however, state-owned enterprises and "strategic" firms continue to receive preferential treatment, including government bailouts and subsidies.

¶35. The Government's e-government initiative "Hitro" (www.hitro.hr) has an on-line business registration component that reduces the time it takes to register a company to four days. Business registration is the first step in a plan to make more government services available on-line in coming years and includes the full digitization of Croatia's land records (see www.pravosudje.hr and www.katastar.hr to find digitized land records).

A.7 Protection of Property Rights

¶36. The right to ownership of private property is established in the Croatian Constitution and numerous acts and regulations safeguard this right. A foreign physical or legal person incorporated under Croatian law is considered to be a Croatian legal person. The Law on Ownership and Property Rights establishes procedures for foreigners to acquire property by inheritance as well as legal transactions such as purchases, deeds, and trusts. While EU member state citizens are afforded the same rights as Croatian citizens in terms of purchasing property, the right of all other foreigners to acquire property in Croatia is based on reciprocity. Reciprocity exists on a state-by-state basis with the United States.

Croatia's Ministry of Foreign Affairs has confirmed the existence of reciprocity for real estate purchases for residents of the following states: Alabama, Arizona, Alaska, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Louisiana, Maine, Massachusetts, Michigan, Montana, Nevada, New Jersey, New York, North Carolina, North Dakota, Rhode Island, Tennessee, Texas, Virginia, Washington, West Virginia, Iowa and Oklahoma (with a condition of permanent residence). Residents of other states could

face longer waiting periods while the Ministry confirms that Croatian nationals can purchase real estate in those states without restrictions. However, a foreign investor, incorporated as a Croatian legal entity, may acquire and own property without ministry approval. Purchasing by any private party of certain types of land (principally land directly adjacent to the sea or in certain geographically designated areas) can be restricted. Both Croatian and foreign citizens may mortgage property and pledge real and tangible property.

¶37. In order to acquire property by means other than inheritance or as an incorporated Croatian legal entity, foreign investors require the approval of the Ministry of Justice. Approval often takes

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several months or longer owing to a lengthy interagency clearance process. When purchasing land for construction purposes, potential buyers should determine whether the property is classified as agricultural land or construction land. Several controversial laws passed in December of 2008 should be considered when purchasing land. The Arable Land Law allows for additional fees of 25 percent or more to be added to the initial cost of land that is to be converted from agricultural into construction land. The Law on Golf Terrains allows investors to expropriate land from private owners and local governments in order to build golf courses. Finally, a new Agricultural Land Agency came into existence on January 1, 2010.

The role of this agency will be to work with local governments to review potential agricultural land purchases. In theory, this mechanism could be used to exclude foreign investors, although it is too early to assess this Agency's practices.

¶38. Clarifying Croatia's land registry system is an on-going process. Although Croatia has made progress resolving a backlog of cases, potential investors should seek a full explanation of land ownership rights before purchasing property. It is highly advisable to seek competent, independent legal advice in this area (see www.usembassy.hr, Consular section for a list of English-speaking attorneys), as there are sometimes ambiguous and conflicting claims to property, making it necessary to verify that the seller possesses clear title to both land and buildings, which can be titled and owned separately. Inheritance laws have led to a situation in which some properties can have dozens of legal owners, some of whom are long since deceased and others of whom emigrated and cannot be found. It is also important to verify the existence of necessary building permits, as some newer structures in coastal areas have been subject to destruction at owner's expense and without compensation for not conforming with local zoning regulations. Investors should be particularly wary of promises that structures built without permits will be regularized retroactively.

¶39. Some aspects of land ownership, as distinct from ownership of objects, are not clear. Investors interested in acquiring companies from the Croatian Privatization Fund should seek expert legal advice to determine whether any deal also includes the right to ownership of the land on which an object is located, or merely the right to lease the land through a concession. The various Croatian laws on privatization are not clear on this point.

¶40. Inconsistent regulations and restrictions on coastal property ownership and construction have in the past provided challenges for foreign investors. Legislation restricts coastal construction and commercial use within 70 meters of the coastline.

¶41. Croatia has intellectual property rights legislation, including the Patent Law, Trademark Law, Industrial Design Law, Law on the Geographical Indications of Products and Services, Law on the Protection of Layout Design of Integrated Circuits, and Law on Copyrights and Related Rights. Although some areas of IPR protection remain problematic, Croatia is currently not on the U.S. Special 301 Watch List. Problem areas continue to be concentrated in piracy of digital media and counterfeiting.

Due to its geographical position, Croatia is also one of the transit routes for various contraband products bound for other countries in the region.

¶42. As a full WTO member, Croatia is a party to the Uruguay Round Agreement on Trade-Related Intellectual Property Rights (TRIPS). A WTO/TRIPS Working Group in June 2001 accepted Croatia's IPR legislation. Texts of these laws are available on the website of the State Intellectual Property Office: www.dziv.hr. Croatia is also a member of the World Intellectual Property Organization (WIPO). For a list of international conventions to which Croatia is a signatory, consult the State Intellectual Property Office's website.

A.8 Transparency of the Regulatory System

¶43. Croatia is under pressure to increase transparency and its commitments to adopt EU laws, norms, and practices provide steady pressure for reform. Nevertheless, bureaucracy and regulation continue to be overly complex and time consuming.

¶44. In 2006, the Croatian government, with the assistance of USAID, began the Hitrorez project, which aimed to remove needlessly complex bureaucracy as an obstacle to investment, targeting the 1451 laws and regulations that affect business in Croatia. The project made progress and by the end of its first phase in mid-2007, Hitrorez had identified 799 regulations for simplification or elimination. Recommendations for 500 of the regulations were accepted, and 359 implemented as of January 2009, but the office was then shut down, due to excessive media criticism of the program, reporting that

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Hitrorez was too expensive and not effective. Although Hitrorez has been closed, the program continues through the government's Legislation Office, which is currently preparing to fully implement the work of the original project. At the time of writing this report, the office did not have current data.

¶45. Legislation on public procurement, accounting and financial security was passed in 2007 with the intent to increase transparency. An amended Company Law was passed in December 2008. The procurement law provides for greater transparency with the introduction of electronic auctions, definitions of special procurement procedures and framework agreements, as well as publication of all procurement procedures over 70,000 HRK (\$14,000). The Accounting Law includes reporting provisions according to which large companies will apply International Financial Reporting Standards, while small and medium businesses will apply Croatian Financial Reporting Standards. Progress, however, is still necessary in this area.

¶46. Bureaucracy is still a major challenge for foreign investors, although the government has made progress in this area, particularly through the development of its e-government initiatives (see paragraph 34). Property registration, for example, has traditionally been notoriously inefficient, sometimes taking up to several years. However, recent reforms and the digitization of the land registers are hopeful signs that this problem will be mitigated in the near future (see paragraph 34). A valuable source of analysis is located on the website of the Croatian office of the World Bank, at www.worldbank.hr. Click on the link for the "Doing Business in Croatia Forum."

¶47. The regulatory system does not specifically discriminate against foreign investors. However, transparency in developing legislation and regulation is often hampered by an inefficient public administration, a lack of intra-governmental coordination, and reliance on expert advice from national champions, sometimes giving the latter a privileged position in influencing new regulations.

¶48. Tax on corporate income is a flat 20 percent. There is a 15 percent tax on interest revenue and royalties. In 2005, tax on dividends was eliminated as a spur to investment. For a detailed description of extant tax legislation, please consult the Tax Administration's website at www.porezna-uprava.hr/en/index.asp. Detailed information about customs can be found at www.carina.hr.

¶49. The Institute of Public Finance maintains a useful table of Croatian taxes at www.ijf.hr/eng/taxguide/08_05/taxtable.pdf.

Croatia also maintains a 23 percent value-added tax (VAT). Some companies have had difficulty with the tax authorities due to differing understandings of how certain goods and services are affected by the VAT.

A.9 Efficient Capital Markets and Portfolio Investments

¶50. Croatia's securities markets are open to both domestic and foreign investment equally. There are no restrictions that would disrupt foreign investment in the securities market and other markets in Croatia. Foreign residents may open non-resident accounts and may do business both domestically and abroad. Article 24 of the Foreign Currency act states that non-residents may subscribe, pay in, purchase or sell securities in the Republic of Croatia in accordance with regulations governing securities transactions. Non-residents and residents are afforded the same treatment in spending and borrowing. These and other non-resident financial activities regarding securities are covered by Articles 24, 25 and 27 of the Foreign Currency Act, which can be viewed on the Central Bank website (www.hnb.hr).

¶51. The current Capital Market Act that entered into force on January 1, 2009. The Act focuses on (1) the regulation of establishment of activities, supervision and cessation of investment companies, market operators and operators of payment and settlement systems; (2) the offering of investment services and the performance of investment activities; (3) the rules of trading on the organized market; (4) the offering and quotation of securities on the organized market; (5) the reporting requirements on connection with securities quoted on the organized market; (6) market abuse; (7) the deposit of financial instruments and the settlement and payment of transactions with financial instruments; and (8) the authority and activities of the Croatian Financial Services Supervisory Agency (HANFA) in connection with implementation (see paragraph 53). The new Act has also made clearer the details of required disclosures and the consequences of a failure to disclose. It specifies in much greater detail who is responsible for information listed in a prospectus, and obligates the issuer to publish periodic financial reports as well as information about changes in corporate structure and voting rights. The new Act will improve securities regulation

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and will increase transparency. Experts have said that it will cause some investment companies to disappear while making others stronger.

¶52. Croatia's capital markets did not do well in 2009. Transactions on the Zagreb Stock Exchange in 2008 were 31.06 billion HRK (approximately \$6.03 billion), of which 11.69 billion HRK (approximately \$2.27 billion) was in institutional turnover. In 2009, transactions were substantially lower, totaling 10.91 billion HRK (approximately \$ 2.14 billion) of which 2.98 billion HRK (approximately \$ 0.59 billion) was institutional turnover. According to the Central Depository Agency records, approximately 856,000 Croatian citizens now own stocks.

¶53. The Investment Fund Law provides for the establishment of derivative funds, index funds and other funds in accordance with EU legislation.

¶54. The Agency for Supervision of Financial Services (HANFA), headed by the Directorate for Supervision of Agencies oversees the capital market in Croatia. See www.hanfa.hr for all legislation and information relative to capital markets. Only an authorized company (brokerage houses and banks) may deal in securities in Croatia. Such activity must be licensed by the Croatian Financial Services Supervisory Agency and entered in a court register.

A brokerage company may only be a private or public limited company based in the Republic of Croatia. Its only permitted activity is transactions in securities. The type of permitted activity depends on the amount of share capital. In accordance with national law, a brokerage company may establish a branch abroad in order to deal in securities in the respective country. Foreign brokerage companies authorized for transactions in

securities may establish a branch in the Republic of Croatia, provided they obtain a license from HANFA.

¶55. The privatized and consolidated banking sector is advanced and is becoming more competitive. More than 90 percent of the total assets of the banking sector are foreign owned. As of November of 2009, there were 32 commercial banks and two savings banks, whose assets totaled 373.9 billion HRK (\$75 billion). The three largest banks, all foreign owned are: Zagrebacka Bank, total of 92.2 billion HRK in assets and holds 24.2 percent of total bank assets in Croatia; Privredna Bank, with 62.5 billion HRK or 16.4 percent; and Erste Steirische Bank, with 47.9 billion HRK or 12.57 percent of total bank assets in Croatia.

¶56. The government uses the market to finance government expenditure. Government debt instruments must be bought through an intermediary such as a commercial bank, and are tradable on exchanges. All Croatian workers under age 40 are required to pay five percent of their gross salary into a pension fund of their choice. EU Pillar III (additional voluntary savings with government matching of 25 percent) has also been introduced.

¶57. Currently, securities are traded on the Zagreb Stock Exchange (ZSE), established in 1991. The Varazdin Stock Exchange (VSE), which was established in 1993 as an over-the-counter (OTC) merged into the ZSE in 2007. The OMX X-Stream trading system is now used on the ZSE. There are three tiers of securities traded on the ZSE. Companies must meet high disclosure and operating requirements to be fully listed (quotation I). A detailed explanation of all requirements is provided at www.zse.hr in English. The ZSE's new Rules, which entered into force on 20 July 2009, can be found at www.zse.hr.

¶58. The Securities Law requires that all companies with more than 100 shareholders and with share capital of at least HRK 30 million (approximately \$5.4 million) be listed on the newly established quotation for public stock companies (JDDs). The intention was to increase transparency and encourage companies to obtain low cost equity financing, which would result in increased turnover and trade volumes.

¶59. Measures that govern takeovers are prescribed by the Law on Takeovers of Joint Stock Companies, which was passed in 2007 and replaced all earlier laws regulating takeovers. The Law on Takeovers has been harmonized with laws applicable to EU member states, in anticipation of Croatia's accession to the EU. The Law on Takeovers regulates takeovers in a way that is similar to that of many EU member states.

The Law was amended in order to improve shareholders' protection in the takeover process and to provide unambiguous rights and obligations of the acquirers. To date, there has only been one attempted hostile takeover, which failed.

¶60. The Croatian Chamber of Economy provides a useful summary of the capital markets in Croatia at www.hgk.hr.

A.10 Competition from State Owned Enterprises (SOE's)

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¶61. Legislation provides that private enterprises are allowed to compete with public enterprises under the same conditions with respect to access to markets, credit and other business operations. In practice, however, while there is not concrete evidence, there are often accusations that political influence in the SOE's influences competition and tenders.

¶62. SOE's are active in railways, electricity, shipbuilding and various tourism related companies. A list of SOE's is available at www.hfp.hr.

¶63. The supervisory boards of SOEs are currently structured to include government figures, often ministers. Due to recent allegations of corruption in various SOE's, the government has proposed to change the procedure of appointing political persons to the boards of SOE's. Instead, the government is suggesting that apolitical, professional persons should be appointed. Under current procedure, the SOE boards of management report directly to the

government.

¶64. SOEs are required to submit annual reports and are also required to undergo independent audits.

A.11 Corporate Social Responsibility

¶65. The Croatian Business Council for Sustainable Development (www.hrpsor.hr) implements corporate social responsibility and is a member of CSR Europe's Network of National Partner Organizations, Global Compact and the Global Reporting Initiative. The Croatian Chamber of Economy adopted a Code of Business Ethics in 2005 and founded the Community for Corporate Social Responsibility.

¶66. The Croatian Business Council for Sustainable Development and the Croatian Chamber of Economy has created a Socially Responsible Practices Index. The two organizations ask, annually, 1500 small and medium enterprises to answer a questionnaire and then rate the companies' socially responsible practices. The Index results for 2008 are public and are published at www.hrpsor.hr/dop.html#28.

A.12 Political Violence

¶67. The risk of political violence in Croatia is low. Following the breakup of Yugoslavia and the subsequent wars in the region, Croatia has emerged as a stable, democratic country and the newest member of NATO. Membership in the European Union is also likely in the coming years. Relations with neighboring countries are generally good and improving, although some disagreements regarding border demarcation remain.

¶68. There is little domestic anti-American sentiment. There have been no incidents involving politically motivated damage to American projects or installations in Croatia.

A.13 Corruption

¶69. Corruption remains a serious problem in Croatia but the number of high profile corruption prosecutions is increasing. The EU highlighted corruption as one of the challenges remaining in Croatia's EU accession process. The Government of Croatia (GOC) recognizes corruption as a problem and, at the highest political levels, has shown a willingness to combat corruption. In 2009, the GOC gave special attention to the legal and institutional framework used to combat corruption by reforming investigations, prosecutions, and interagency and international cooperation.

¶70. The prosecutor and police Offices for Suppression of Corruption and Organized Crime (USKOK and PN-USKOK, respectively) are the main law enforcement bodies responsible for fighting corruption. PN-USKOK was established in April 2009, but was not a fully functional unit until September 2009. The GOC also created special anticorruption and organized crime departments at the four largest courts in Croatia where judges are screened and receive additional training and higher pay for working on USKOK cases. The Ministry of Justice's Anticorruption Office monitors the implementation of anticorruption measures throughout the government and oversaw a large anticorruption public relations campaign in the spring and summer of 2009. In 2009, the number of cases prosecuted by USKOK increased substantially in comparison with previous years, particularly high-profile cases involving indictments against former ministers and parliamentarians, professors, judges, and high-ranking civil servants.

¶71. The Croatian Criminal Code and the Criminal Procedure Act provide for the prosecution of different forms of corruption and similar criminal acts. In December of 2008, Croatian Parliament adopted the new Criminal Procedure Act and the Amendments to the

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Penal Code. One of the most important changes in the amended Penal Code is Article (82) titled "Confiscation of Pecuniary Gain Acquired by a Criminal Offense." Although the provision 82 existed in the old Penal Code, the new amendments to this provision broadened the possibility for asset seizure and forfeiture, especially for USKOK

cases. According to the amendments, if a case falls under the authority of the specialized prosecutors who work in the Office for Suppression of Organized Crime and Corruption or USKOK, it shall be assumed that all of defendant's property was acquired by criminal offences, unless defendants could prove legal origin of the assets. The pecuniary gain in such cases shall also be confiscated if it is in possession of a third party (e.g. spouse, relatives, and family members) on any legal ground and it has not been acquired in good faith. The burden of proof would be on defendants to prove legal origin of assets, not on the prosecutors.

¶72. Additional laws that deal with suppression of corruption include the Act on the Office for the Prevention of Corruption and Organized Crime (Law on USKOK), the State's Attorney Office Act, the Public Procurement Act, the Budget Act, the Courts Act, the Conflict of Interest Prevention Act, the Corporate Criminal Liability Act, the Money Laundering Prevention Act, the Witness Protection act, the Personal Data Protection Act, the Right to Access to Information Act, the Act on Public Services, the Code of Conduct for Public Officials, and the Code of Conduct for Judges. The Croatian Criminal Code covers such acts as trading in influence, abuse of functions, bribery in the private sector, and embezzlement of property in the private sector, and concealment and obstruction of justice.

¶73. Croatian laws and provisions regarding corruption apply equally for both domestic and foreign investors. According to the head of the state prosecutor's office for the suppression of corruption and organized crime (USKOK), the most recent prosecutions for corruption involve mostly Croatian citizens.

¶74. Croatia has ratified the United Nations Convention Against Transnational Organized Crime and the United Nations Convention Against Corruption. It has also ratified both the Council of Europe's Criminal and Civil Law Conventions on Corruption. Croatia has not ratified the OECD Convention on Bribery.

¶75. Croatia is a member of the Group of States Against Corruption (GRECO), a peer monitoring organization that allows members to assess anticorruption efforts on a continuing basis. An evaluation of Croatia, including suggestions and opinions on Croatia's progress in its fight against corruption, can be found on GRECO's website. Croatia has been a member of Interpol since 1992. Croatia also cooperates regionally through the Southeast European Co-operative Initiative (SECI), the Southeast Europe Police Chiefs Association (SEPCA), and the Central European Initiative (CEI).

¶76. According to public opinion polls, corruption is perceived to be pervasive in major public companies, the health sector, universities, public procurement systems, the construction sector, land registry offices, and the privatization fund. Foreign investors, including US companies, have expressed general complaints that the level of corruption is a barrier to investment.

¶77. Giving or accepting a bribe is a criminal act. The minimum prison sentence for an act of bribery (Articles 348(1) and 294b (1), Criminal Code) is six months and the maximum sentence is three years. In two forms of passive bribery (Articles 347 and 294 (A), Criminal Code), sentences range from one to eight years imprisonment, depending on the crime. Bribes by a local company to a foreign official are punishable under Croatian law. If it is established that a local company is the legal entity committing crimes, that company might receive a ban for conducting operations, depending on the gravity of the crime.

¶78. The Office for the Suppression of Corruption and Organized Crime (USKOK) is tasked with directing police investigations and prosecuting corruption and organized crimes cases. USKOK is headquartered in Zagreb with branch offices in Split, Rijeka and Osijek. In addition, the newly established National Police Office for the Suppression of Organized Crime and Corruption (PN-USKOK) conduct USKOK-related investigations and are based in the same cities as the corruption prosecutors. Specialized criminal judges are situated at the four largest County Courts in Croatia, again in Zagreb, Rijeka, Split, and Osijek, and are responsible for adjudicating corruption and organized crimes cases, which are given high priority in the justice system. The Ministry of Interior, the Office for Suppression of Money Laundering, the Tax Administration,

the Anti-Corruption Unit of the Ministry Of Justice and the National Council for Monitoring the Implementation of the National Program for Suppression of Corruption all have a proactive role in combating and preventing corruption.

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¶79. Transparency International Croatia is the main non-governmental watchdog organization in Croatia. In addition, GONG, a non-partisan citizens' organization founded in 1997, monitors election processes, educates citizens about their rights and duties, encourages mutual communication between citizens and their elected representatives, promotes transparency of work within public services, and manages public advocacy campaigns and encourages and helps citizens in self-organizing initiatives. The Partnership for Social Development is another NGO that deals with the suppression of corruption.

A.14. Bilateral Investment Agreements

¶80. Croatia does not have a foreign investment law; foreigners receive national treatment under existing legislation. In addition, investments by American citizens are covered by the U.S. Croatian Bilateral Investment Treaty (BIT), which entered into force in June ¶2001. The treaty fulfills the principal U.S. objectives for agreements of this type:

-- All forms of U.S. investment in the territory of Croatia are covered;

-- Covered investments receive the better of national treatment or most-favored-nation (MFN) treatment, both while they are being established and thereafter, subject to certain specified exceptions;

-- Specified performance requirements may not be imposed upon or enforced against covered investments;

-- Expropriation is permitted only in accordance with customary international law standards;

-- Parties are obligated to permit the transfer, in a freely usable currency, of all funds related to a covered investment, subject to exceptions for specified purposes;

-- Investment disputes with the host government may be brought by investors, or by their covered investments, to binding international arbitration as an alternative to domestic courts.

¶81. For further information about BITs and for the text of the U.S.-Croatian BIT please see www.mac.doc.gov/Tcc/e-guides/eg_bits (under "Croatia").

¶82. Croatia has signed investment protection treaties/agreements with the following countries, however, not all have entered into force:

Albania, Argentina, Austria, Belgium, Belarus**, Bulgaria, Bosnia and Herzegovina, Czech Republic, Chile, Denmark, Egypt, Finland, France, Great Britain, Greece, Germany, India, Indonesia**, Iran, Italy, Israel, Jordan, Kuwait, Cambodia, Canada, Qatar*, China*, Cuba**, Latvia, Libya, Lithuania, Hungary, Macedonia, Malaysia*, Malta, Republic of Moldova**, Netherlands, Northern Ireland, Oman**, Poland, Portugal, Romania, Russia*, United States, Serbia Montenegro, Slovakia, Slovenia**, Spain, Sweden, Switzerland*, Thailand*, Turkey, , Ukraine, Zimbabwe*.
(* = ratified, but not in force) (** = not ratified or in force)

A.15 OPIC and Other Investment Insurance Programs

¶83. Croatia is eligible for financing and political risk insurance coverage from the U.S. Overseas Private Investment Corporation (OPIC). In 2004, OPIC provided \$250 million in political risk insurance to support financing for the construction of a motorway in

Croatia that will do much to improve the country's infrastructure, reduce transportation costs, and develop the tourism potential of the Dalmatian coast. OPIC provided the insurance to Private Export Funding Corporation (PEFCO) to support PEFCO's financing to Croatian Motorways, Ltd. for construction of a portion of the Zagreb-Split motorway, consisting of a tolled four-lane highway connecting Bregana and Zagreb, and Bosiljevo with Sveti Rok. For more information about OPIC, see www.opic.gov.

Croatia is a member country of the Multilateral Investment Guarantee Agency (MIGA), for more information see www.miga.org.

184. In the event that OPIC should pay an inconvertibility claim under its political risk coverage, the local currency accepted by OPIC in any subsequent recovery would be made available to the Embassy on a priority basis for U.S. Government expenses. The estimated annual U.S. dollar value of local currency used by the Embassy was approximately \$13 million for 2009. The Embassy currently purchases local currency from a local commercial bank at

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the market rate. A major devaluation is considered unlikely.

A.16 Labor

185. Croatia has an educated, highly-skilled, and relatively high cost labor force compared with the region. In general, employer's wage costs are approximately 110 percent of an employee's net wage. The estimated average cost to employers in Croatia was 7,569 HRK (approximately \$1544.69) per month as of November 2009 and the average net wage was 5,236 HRK (\$1068.57). The manner of calculating minimum wage was amended in 2008 per the Minimum Wage Act. The Act introduced a substantial one-time wage increase and the adjustment formula stipulated by the Act ensures a continuous minimum wage increase over a longer period of time. Minimum wage raises will be calculated from the minimum-to-average-wage ratio from the previous year, increased by the percent equal to real GDP growth in the previous year. Certain suggested alternative calculations for various sectors are under review by the constitutional court.

186. Croatia's labor laws are aimed at increasing labor market flexibility by shortening the mandatory notification period before dismissal and reducing generous severance package requirements. However, Croatia still fares badly in terms of time and expense in hiring and firing employees. Labor has generally been supportive of government efforts to boost competitiveness and welcomes foreign investment, but remains concerned about any possible cuts in social spending.

187. The Law on Labor regulates employee and employer relations through "employment contracts." Fulltime employment must not amount to more than 40 hours per week and employees are entitled to at least four weeks of paid annual leave and seven days of personal leave. The Law on Labor also provides special protections for workers in dangerous occupations, work at night, and work by minors between the ages of 15 and 18. The Law on Labor was amended in November 2009 to further enforce the rights of workers. The amendments prescribe that the amount of overtime hours per week cannot exceed eight, as opposed to the previous ten, and the minimum amount of annual leave is set at four weeks and cannot include holidays or days off. The amendments also address improved organization of shift work, on-call work and night hours, as well as protection of under-age employees and the general safety and health protection of all employees.

188. Chapter 7 of the Law on Foreigners covers the issuance of work permits. While there are quotas (determined annually) for work permits, there are no quotas for foreigners who execute key positions in companies or representative offices. Likewise, there are no quotas for business visas.

189. Workers are entitled by law to form or join unions of their own choosing, and workers exercised this right in practice. In general, unions were independent of the government and political parties. The Labor Code prohibits anti-union discrimination and expressly

allows unions to challenge firings in court; however, in general, attempts to seek redress through the legal system were seriously hampered by the inefficiency of the court system.

A.17 Foreign Trade Zones/Free Ports

¶90. Croatia has several Free Trade Zones (FTZs), some in war-affected areas. Special incentives are offered to users of FTZs.

¶91. The Law on Free Trade Zones allows a foreign-owned or domestic company in FTZs to engage in manufacturing, wholesale but not retail trade, foreign trade, banking and other financial activities. Articles 37a and 37b of the Law on Free Trade Zones define the payment structure for profit taxes up through 2017. The Law on Profit Tax also covers business in FTZs. FTZ users are eligible for tariff waivers on imported products. .

¶92. FTZs are exempted from any Croatian emergency measures or other restrictions pertaining to foreign trade or hard currency transactions. Users of the zones may freely store their goods and production equipment in the zones. Goods that are not intended for trade on the Croatian market or for domestic consumption are fully exempt from custom duties or taxes. Imported goods will be taxed and assessed duties per the value of the production materials imported for the product and not per the value of the finished product.

¶93. The following fifteen counties currently have FTZs: Buje, Krapina-Zagorje, Osijek, Rijeka, Slavonski Brod, Split, Splitsko-Dalmatinska County, Obrovac, Ploce, Pula, Kukuljanovo, Varazdin, Zagreb, Vukovar, and Ribnik counties. As mentioned

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previously, EU accession will force the Government to make changes in the free trade zone system and the incentives system associated with them.

A.18 Foreign Direct Investment Statistics

¶94. Compared to other advanced transitional economies in the region, Croatia is in the middle group in terms of foreign direct investment (FDI). New or green-field investments have seen particularly slow growth. According to the Trade and Investment Promotion Agency, there was one large-scale foreign investment project initiated this year (see list below paragraph 85). Privatization of strategic government-owned assets has been the main source of FDI since Croatian independence. Large state assets such as utilities, the state insurance company and banks, are being sold by the government, usually through international tenders, and in some cases, through initial public offerings (IPOs), as was the case with the state oil company, INA, and the national telecom, HT. The Croatian Privatization Fund, the agency responsible for the sale of other assets, has shares and stock in 1112 (mostly non-performing) companies. The state's share of the equity base value of these companies is about 21.8 billion HRK (\$4.36 billion). Information regarding the Croatian Privatization Fund, including information on companies currently for sale, can be found on its website, www.hfp.hr.

¶95. There were no significant sales made by the government in terms of privatization efforts in 2009. There was an attempt at the long awaited privatization of the shipbuilding industry; however, no bidders satisfied tender conditions and a second round of tenders is set for an undetermined date at the start of February 2010.

¶96. Foreign Direct Investment between 1993 and the second quarter of 2009 totaled \$32.9 billion, with investments in the financial, chemical and telecommunications sector accounting for 57 percent of total investment. Croatian firms invested \$3.6 billion abroad between 1993 and the second quarter of 2009. It is estimated that inflow FDI for the first two quarters of 2009 amounted to 2 percent of GDP and that outflow FDI for the first two quarters of 2009 is estimated at under one percent.

¶97. According to official statistics from the Croatian National Bank, Austria is the largest source of foreign investment in Croatia, accounting for 29.1 percent of total FDI since 1993. The Netherlands is second with 15.4 percent of total FDI, followed by Germany with 12 percent and Hungary with 9 percent. Because transactions are often executed through third countries and the Croatian National Bank records country of origin of the final transaction leading to the investment, in many cases, this results misleading statistics. The U.S. Embassy Zagreb estimates that the actual amount of U.S. investment in Croatia was approximately \$ 2.5 billion. However, the US investment referenced to in recent years was the purchase of Pharmaceutical company Pliva by US company Barr Pharmaceuticals, which was bought out at the global level by Israeli Teva in December 2008 (see list in paragraph 98). The leading destinations for total Croatian investment, from 1993 to the second quarter 2009, were the Netherlands with 21, Serbia with 20 percent and Bosnia-Herzegovina with 19 percent. In the first two quarters of 2009, Croatians invested approximately \$93 million abroad. For just 2009, The Netherlands was the lead investment destination, followed by Switzerland and Serbia.

¶98. The Croatian National Bank provides information about foreign investments in aggregate form which can be found on their website at www.hnb.hr. The following includes some major (\$20 million and above) foreign investments in Croatia to date listed at investment value at the time of the transaction (current values are not available):

Foreign investor: GP&Partners (Dutch)
Corn starch factory
Value: \$103 million

Foreign investor: Barr Pharmaceuticals (U.S)
Pharmaceuticals (which was bought out by Israeli Teva in December 2008)
Croatian company: Pliva
Value: \$2.3 billion

Foreign investor: Deutsche Telekom (Germany)
Telecommunications
Croatian Company: Croatian Telecom (51 percent of shares)
Value: \$1.272 billion

Foreign investor: MOL (Hungary)
Oil Industry
Croatian Company: INA d.d. (26 percent of shares in 2003 plus 21.15

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percent in 2008)
Value: \$505 million + \$1.3 billion

Foreign investor: Lactalis (France)
Dairy
Croatian company: Dukat
Value: \$400 million

Foreign investor: Banca Commerciale Italiana (Italy)
Banking/financial services
Privredna Banka (66.66 percent of shares in 1999 plus 10 percent in 2002)
Value: \$300 million + approximately \$50 million, according to media reports

Foreign investor: Unicredito Italiano (Italy)
TAKEN OVER BY BANK AUSTRIA IN 2007
Banking/financial services
Zagrebacka Banka (96 percent ownership)
Value: \$230 million (estimate)

Foreign investor: Erste und Steiermarkische Bank (Austria)
Banking/financial services
Rijecka Banka (85 percent share)
Value: \$155 million

Foreign investor: Austria Creditanstalt Group (HVB Group) (Austria)

TAKEN OVER BY SOCIETE GENERAL IN 2006

Banking/financial services
Splitska Banka (88 percent ownership)
Value: \$132 million

Foreign investor: Heineken N.V. (Netherlands)
Brewery
Karlovacka Pivovara company (94.42 percent)
Value: \$125 million

Foreign investor: Rockwool Group (Denmark)
Stone wool producers
Value: \$110 million

Foreign investor: Sutivan Investment and Excelsa Anstalt
(Lichtenstein)
Hotels and tourism
Plava Laguna (81.5 percent)
Value: \$70 million

Foreign investor: CMC (U.S / Switzerland)
Steel
Croatian company: Sisak Steel Company
Value: \$52 million

Foreign investor: Ericsson (Sweden)
Telecommunications
Tesla Company
Value: \$48 million

Foreign investor: Hofmann and Pankl Betelligungasse (Austria)
Minerals processing
Straza Company
Value: \$39 million

Foreign investor: Societe Suisse de Cemment Portland (Switzerland)
Cement
Tvornica Cementa Koromacno company
Value: \$38 million

Foreign investor: Applied Ceramics (U.S)
Semi-conductor components
Value: \$30 million

Foreign investor: Interbrew (Belgium)
Brewery
Zagrebacka Pivovara company
Value: \$27 million

Foreign investor: Coca Cola Amatil (Australia)
Non-alcoholic beverages
Croatian company: n/a
Value: \$20 million

Foreign investor: Hospira (U.S)
Specialty pharmaceutical company
Croatian company: n/a
Value: unknown

Foreign investor: L&P Technology
Mattress components

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Croatian company: n/a
Value: Between \$15-20 million

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